A 0275-2

AMERICAN AUTOMOTIVE LEASING ASSOCIATION

ANALYSIS OF COSTS AND RELATED INFORMATION

FINANCE LEASING (OPEN-END)

YEARS 1980 AND 1979

INDEX


| | Page |
|---|---|
| Interest expense | 2 |
| General and administrative expenses | 3 |
| Composition of fleets | 4 |
| Used car disposition | 5 |
| Leasing and rental activities | 6 |
| Record keeping methods | 7 |

## INTEREST EXPENSE

| | Per unit Per Month Costs | Percentage of Car Cost Financed | Average Monthly Loan Amortization % | Average Simple Interest Rate % | Percentage Over Prime Rate | Compensating balance required | % of Loan Balance | Loan Commitment Fee Required |
|---|---|---|---|---|---|---|---|---|
| Less than 1000 cars | | | | | | | | |
| A | $39.54 | 95 | 2.00 | 14.07 | 1.25 | No | - | No |
| B | ( 53.49) | 100 | 2.00 | 14.50 | 1.63 | No | - | No |
| C | 47.27 | 100 | 2.00 | 14.00 | 1.00 | No | - | No |
| Averages | 43.41 | 98 | 2.00 | 14.19 | 1.29 | | | |
| 1000-1999 Cars | | | | | | | | |
| D | ( 72.81) | 100 | 2.08 | - | 1.50 | No | - | No |
| E | ( 58.00) | 100 | 2.50 | 14.50 | .88 | Yes | 7.50 | Yes |
| F | 38.80 | 100 | 2.50 | 14.00 | 1.00 | No | - | No |
| G | 37.10 | 100 | 2.50 | 14.00 | 2.00 | No | - | No |
| H | 46.52 | ---Capital loan--- | | 14.75 | .50 | No | - | No |
| I | ( 59.37) | 100 | 2.00 | 12.80 | 2.00 | No | - | No |
| Averages | 40.81 | 100 | 2.32 | 14.01 | 1.31 | | | |
| Over 2000 Cars | | | | | | | | |
| J | 42.96 | 100 | 2.20 | 13.00 | 1.00 | Yes | 5 | No |
| K | 40.72 | 100 | 2.08 | 13.00 | 1.25 | No | - | No |
| L | 36.99 | 100 | 2.50 | 13.00 | 1.00 | Yes | 10 | Yes |
| M | 41.10 | 100 | 2.50 | 14.20 | 1.00 | Yes | 10 | Yes |
| N | 38.79 | 100 | 2.25 | 14.00 | .75 | No | - | No |
| O | 40.09 | 100 | 2.50 | 14.00 | 2.13 | No | - | No |
| P | 40.39 | 100 | 2.50 | 14.25 | 1.50 | No | - | No |
| Q | 40.33 | 100 | 2.25 | 14.50 | .75 | No | - | No |
| R | ( 54.56) | 100 | - | 11.80 | - | No | - | No |
| S | 41.70 | 100 | 2.23 | 13.75 | .75 | Yes | Various | Yes |
| T | 48.00 | 100 | 2.50 | 13.52 | 1.00 | Yes | 10 | No |
| U | 40.26 | 100 | 2.25 | 11.90 | 1.00 | No | - | No |
| V | 46.69 | 100 | 3.57 | 15.83 | 1.00 | No | - | No |
| W | 46.29 | 100 | 2.40 | 13.40 | 1.00 | No | - | No |
| Averages | 41.87 | 100% | 2.44% | 13.58% | 1.09% | | | |
| Combined averages - 1980 | 41.86 | 100% | 2.35% | 13.79% | 1.18% | | | |
| Combined averages - 1979 | 35.79 | 100% | 2.26% | 11.53% | 1.32% | | | |
| Increase | 6.07 | | | | | | | |
| Percentage of Increase | 16.96% | | | | | | | |

## GENERAL AND ADMINISTRATIVE EXPENSES

### Per Unit Per Month Costs

| | Total | Principal(s) Salary | Advertising | Travel & Promotions | Tel. & Tel. | Occupancy (Rent, etc.) | Office Expense | Data Process. | Profess. Fees | Adm. Salaries | Sales Salaries | Taxes | Insurance | Other |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Less than 1000 cars** | | | | | | | | | | | | | | |
| A | $ 25.39 | $ 2.26 | $ .32 | $ .84 | $ .60 | $2.58 | $2.14 | - | $ .64 | $ 3.09 | $6.11 | $1.18 | $ 1.21 | $4.42 |
| B | 30.10 | 10.55 | 3.31 | 1.45 | .16 | 1.05 | 1.45 | - | 1.17 | 2.21 | 6.70 | .72 | - | 1.33 |
| C | 23.30 | 2.15 | 3.61 | 1.26 | .47 | 1.96 | 1.05 | - | .47 | 6.42 | - | 1.45 | 3.22 | 1.24 |
| **Average** | 26.26 | | | | | | | | | | | | | |
| **1000-1999 Cars** | | | | | | | | | | | | | | |
| D | ( 49.30) | 5.81 | 2.80 | 2.22 | 3.39 | 3.90 | 1.90 | - | 1.66 | 17.38 | - | 3.17 | 3.52 | 3.55 |
| E | 22.55 | 2.00 | .25 | .35 | 1.50 | 2.00 | 1.25 | .25 | 1.25 | 10.00 | 1.50 | 1.00 | .50 | .70 |
| F | 20.12 | - | 1.16 | .54 | 1.06 | 1.19 | 1.01 | .99 | .47 | 5.79 | 4.11 | 1.02 | 1.00 | 1.78 |
| G | 22.67 | 4.25 | 1.09 | .93 | 1.00 | 1.14 | .98 | 1.01 | .89 | 4.19 | 3.10 | 1.00 | 1.09 | 2.00 |
| H | 13.80 | 1.82 | .01 | .31 | .43 | .50 | 1.17 | .75 | .36 | 3.55 | 1.50 | 1.22 | - | 2.18 |
| I | 38.30 | .62 | 1.19 | .81 | .85 | 2.15 | 1.05 | 1.01 | 2.10 | 10.93 | 7.25 | 1.17 | 2.24 | 6.93 |
| **Average** | 23.49 | | | | | | | | | | | | | |
| **Over 2000 Cars** | | | | | | | | | | | | | | |
| J | 21.95 | - | .20 | .46 | 1.43 | 1.04 | .90 | 1.20 | .27 | 11.13 | - | .09 | .18 | 5.05 |
| K | 18.98 | 1.30 | .51 | .56 | .62 | 1.29 | .60 | .64 | .51 | 4.21 | 5.27 | - | .78 | 2.69 |
| L | 23.92 | 4.15 | 1.90 | .92 | .63 | .44 | .93 | 1.05 | .87 | 7.98 | 3.62 | .15 | .63 | .65 |
| M | 9.10 | .60 | .29 | .39 | .60 | 1.09 | 1.00 | .20 | .40 | 4.00 | .10 | .21 | .11 | .11 |
| N | 8.34 | .50 | .37 | .40 | .41 | .41 | 1.24 | - | .20 | 3.68 | .22 | .22 | .33 | .36 |
| O | 18.20 | 3.53 | .17 | 2.21 | .74 | .46 | 1.59 | 1.08 | .45 | 4.64 | 1.44 | .78 | 1.11 | - |
| P | 20.49 | 2.15 | .93 | 1.01 | .90 | .93 | 1.00 | 1.31 | .47 | 4.09 | 1.19 | .78 | .99 | 4.74 |
| Q | 15.08 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| R | 15.08 | - | .17 | .72 | .98 | 1.42 | 1.33 | 1.03 | .29 | 8.57 | - | .10 | .23 | .24 |
| S | 9.64 | .41 | .07 | .41 | .58 | .69 | .42 | .24 | .12 | 3.37 | 1.56 | .07 | .20 | 1.50 |
| T | 19.00 | - | - | - | 1.00 | 2.00 | 1.00 | 1.00 | 1.00 | 6.00 | - | 1.00 | 3.00 | 3.00 |
| U | 27.63 | .43 | 1.26 | 1.54 | .84 | 1.66 | 1.88 | 1.21 | .81 | 8.63 | 6.31 | .13 | 1.18 | 1.75 |
| V | ( 151.30) | 8.71 | .55 | 4.12 | 4.93 | 7.18 | 3.58 | 8.52 | 11.59 | 73.12 | - | 2.25 | 29.19 | (2.44) |
| W | 8.83 | 5.08 | .03 | .53 | .38 | .26 | .28 | 1.31 | .07 | .11 | - | .45 | .21 | .12 |
| **Average** | 16.63 | | | | | | | | | | | | | |
| **Combined average costs - 1980** | 19.64 | | | | | | | | | | | | | |
| **Combined average costs - 1979** | 19.15 | | | | | | | | | | | | | |
| **Increase** | .49 | | | | | | | | | | | | | |
| **Percentage of increase** | 2.56% | | | | | | | | | | | | | |

## COMPOSITION OF FLEETS

| | Model Sizes | | | Air Conditioning | | | | | | | | % of Chev., Ford and Ply. in Fleets |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Standard % | Intermediate % | Compact % | % | Chevrolet % | Ford % | Plymouth % | Pontiac % | Oldsmobile % | Buick % | Cadillac % | Other % | |
| A | 50 | 30 | 20 | 99 | 27 | 12 | 2 | 18 | 19 | 9 | 3 | 10 | 41 |
| B | 56 | - | 44 | 97 | 12 | 6 | 1 | 4 | 5 | 51 | 4 | 17 | 19 |
| C | 25 | 60 | 15 | 100 | 90 | 2 | - | - | - | - | - | 8 | 92 |
| D | - | - | - | - | - | - | - | - | - | - | - | - | - |
| E | 15 | 80 | 5 | 99 | - | - | - | - | - | - | - | - | - |
| F | 15 | 75 | 10 | 100 | 50 | 30 | - | - | 8 | 8 | 2 | 2 | 80 |
| G | 48 | 47 | 5 | - | 45 | 15 | 2 | 9 | 10 | 5 | 5 | 9 | 62 |
| H | 22 | 70 | 8 | 99 | 40 | 32 | 1 | 4 | 11 | 4 | - | 8 | 73 |
| I | 20 | 60 | 20 | 99 | 15 | 6 | 1 | - | 6 | 36 | 3 | 33 | 22 |
| J | 25 | 50 | 25 | 99 | 35 | 13 | 2 | 28 | 14 | 5 | - | 3 | 50 |
| K | 63 | 36 | 1 | 100 | 37 | 30 | - | 2 | 12 | 9 | 2 | 8 | 67 |
| L | 49 | 49 | 2 | 95 | 27 | 43 | 1 | 10 | 10 | 3 | 5 | 1 | 71 |
| M | 40 | 40 | 20 | 95 | 40 | 20 | 5 | - | 10 | 10 | 10 | 5 | 65 |
| N | 30 | 45 | 25 | 98 | 49 | 13 | 1 | 11 | 13 | 8 | 1 | 4 | 63 |
| O | 15 | 60 | 25 | 95 | 40 | 15 | 3 | 6 | 11 | 9 | - | 16 | 58 |
| P | 90 | 10 | - | 98 | 50 | 15 | 5 | - | 5 | 5 | 5 | 15 | 70 |
| Q | 16 | 54 | 30 | 93 | 40 | 21 | 1 | 3 | 15 | 11 | 1 | 8 | 62 |
| R | 28 | 51 | 21 | 80 | 29 | 15 | 1 | 14 | 17 | 10 | 2 | 12 | 45 |
| S | 10 | 47 | 43 | 98 | 27 | 30 | 4 | 4 | 8 | 8 | - | 19 | 61 |
| T | 20 | 70 | 10 | 90 | 19 | 43 | 1 | 3 | 17 | 4 | - | 13 | 63 |
| U | 16 | 38 | 46 | 99 | 30 | 17 | 1 | 5 | 19 | 7 | 3 | 18 | 48 |
| V | 84 | 10 | 6 | 100 | 13 | 63 | 1 | - | 5 | - | - | 18 | 77 |
| W | 32 | 47 | 21 | 90 | 36 | 23 | 2 | 9 | 12 | 7 | 1 | 10 | 61 |
| Averages - 1980 | 35 | 47 | 18 | 96 | 36 | 22 | 2 | 6 | 11 | 10 | 2 | 11 | 60 |
| Averages - 1979 | 44 | 42 | 14 | 92 | 34 | 26 | 2 | 4 | 9 | 7 | 3 | 15 | 62 |

## USED CAR DISPOSITION

| | Average months in operation | Average per unit mileage | Reconditioning Prior to Sale: % of cars Reconditioned | | Reconditioning Prior to Sale: Average Amount | Used Cars Disposed Through: New Car Dealers Sales % | New Car Dealers Trade % | Used Car Dealers % | Auctions % | Lessees and their Employees % | Retail % | Location Where Cars are Sold: On the Road % | Home Office % |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A | 24 | 50,000 | Yes | 10 | $ 75 | - | - | 25 | - | 65 | 10 | 75 | 25 |
| B | 36 | 45,000 | No | - | - | - | - | 97 | - | - | 3 | 1 | 99 |
| C | 28 | 30,000 | No | - | - | 50 | - | 20 | - | 30 | - | - | 100 |
| D | - | - | No | - | - | - | - | - | - | - | - | - | - |
| E | 26 | 55,000 | Yes | 50 | 225 | 2 | 5 | 40 | 38 | 15 | - | 85 | 15 |
| F | 28 | 52,000 | Yes | 75 | - | - | - | 25 | 50 | 25 | - | 45 | 55 |
| G | 30 | 55,000 | No | - | - | - | - | 10 | 15 | 75 | - | 85 | 15 |
| H | 26 | 52,000 | No | - | - | - | - | 25 | 60 | 15 | - | 65 | 35 |
| I | 25 | - | No | - | - | 5 | - | 30 | 10 | 40 | 15 | 70 | 30 |
| J | 28 | 59,000 | No | - | - | 7 | - | 25 | 10 | 39 | 19 | 97 | 3 |
| K | 27 | 54,000 | No | - | - | 1 | 1 | 50 | 38 | 10 | - | 18 | 82 |
| L | 31 | 50,000 | No | - | - | - | - | 30 | 16 | 54 | - | 90 | 10 |
| M | 32 | 55,000 | No | - | - | - | - | 75 | 15 | 10 | - | 95 | 5 |
| N | 26 | 55,000 | No | - | - | - | - | 60 | - | 40 | - | 86 | 14 |
| O | 33 | 65,000 | No | - | - | 1 | - | 84 | - | 15 | - | 99 | 1 |
| P | 30 | 75,000 | No | - | - | - | - | 80 | 10 | 10 | - | 80 | 20 |
| Q | 28 | 55,000 | No | - | - | 1 | - | 3 | 45 | 51 | - | 100 | - |
| R | 28 | 50,000 | No | - | - | - | - | 86 | - | 14 | - | 14 | 86 |
| S | 33 | 52,000 | Yes | 20 | 110 | 2 | - | 34 | 43 | 21 | - | 81 | 19 |
| T | 27 | 55,000 | No | - | - | 3 | - | 45 | 32 | 20 | - | 60 | 40 |
| U | 30 | 42,000 | Yes | 17 | 457 | 1 | - | 42 | 1 | 29 | 27 | 11 | 89 |
| V | 27 | 95,000 | No | - | - | - | - | 80 | 5 | 15 | - | 20 | 80 |
| W | 31 | 60,000 | Yes | 24 | 150 | 2 | - | 45 | 38 | 15 | - | 98 | 2 |
| Averages - 1980 | 28.8 | | | | | 3 | - | 46 | 19 | 28 | 4 | 63 | 37 |
| Averages - 1979 | 28.0 | | | | | 3 | 1 | 45 | 14 | 27 | 10 | 49 | 51 |

## LEASING AND RENTAL ACTIVITIES

| | Non-Finance Leasing | Daily Car Rental | Daily Truck Rental | Long-term Truck Leasing | Fleet Management | Non-Automotive Equipment Leasing | | | Own or Affiliated with New Car Dealership |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | By Choice | Accommodation | |
| A | Yes | Yes | No | Yes | Yes | No | - | - | Yes |
| B | Yes | No | No | Yes | No | Yes | Yes | - | Yes |
| C | Yes | Yes | Yes | Yes | No | Yes | - | Yes | Yes |
| D | Yes | No | No | No | No | Yes | - | Yes | No |
| E | Yes | Yes | No | No | Yes | Yes | - | Yes | No |
| F | No | No | No | Yes | No | Yes | Yes | - | No |
| G | No | No | No | No | No | No | - | - | Yes |
| H | Yes | No | No | Yes | No | Yes | - | Yes | No |
| I | Yes | Yes | No | Yes | Yes | Yes | Yes | - | Yes |
| J | Yes | No | No | No | Yes | No | - | - | No |
| K | Yes | Yes | Yes | Yes | Yes | Yes | Yes | - | Yes |
| L | No | No | No | Yes | No | No | - | - | No |
| M | Yes | No | No | No | No | No | - | - | No |
| N | No | No | No | Yes | Yes | Yes | Yes | - | Yes |
| O | No | No | No | Yes | Yes | Yes | Yes | Yes | Yes |
| P | No | No | No | Yes | Yes | No | - | - | No |
| Q | Yes | No | No | Yes | Yes | No | - | - | No |
| R | Yes | Yes | Yes | Yes | Yes | Yes | Yes | - | No |
| S | Yes | No | No | Yes | Yes | Yes | - | Yes | Yes |
| T | Yes | Yes | Yes | Yes | Yes | Yes | - | Yes | Yes |
| U | Yes | Yes | No | Yes | Yes | No | - | - | Yes |
| V | No | Yes | No | Yes | Yes | Yes | Yes | - | Yes |
| W | Yes | Yes | No | Yes | Yes | Yes | Yes | - | No |

## RECORD KEEPING METHODS

| Less than 1000 cars | Non-mechanical (Done by Hand) | Mechanical (Non-Electronic Machinery) | Electronic System (Computer) | |
|---|---|---|---|---|
| | | | Service Bureau | Own Installation |
| A | | | | X |
| B | X | X | | |
| C | | X | | |
| **1000 - 1999 cars** | | | | |
| D | X | | | |
| E | | | | X |
| F | X | X | | |
| G | | | | X |
| H | | | X | |
| I | | | | X |
| **Over 2000 cars** | | | | |
| J | | | X | X |
| K | | | X | |
| L | | | | X |
| M | | X | X | |
| N | | | | X |
| O | | | X | |
| P | | | | X |
| Q | | | | X |
| R | | | | X |
| S | | | | X |
| T | | | | X |
| U | | | | X |
| V | | | X | |
| W | | | | X |